

**TOWN OF HONEA PATH MUNICIPAL COURT  
HONEA PATH, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**MAY 31, 2012**

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# *State of South Carolina*



## *Office of the State Auditor*

1401 MAIN STREET, SUITE 1200  
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA  
DEPUTY STATE AUDITOR

(803) 253-4160  
FAX (803) 343-0723

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

April 26, 2013

The Honorable Nikki R. Haley, Governor  
State of South Carolina  
Columbia, South Carolina

The Honorable Donnie W. Cannon, Municipal Judge  
Honea Path Municipal Court  
Honea Path, South Carolina

Ms. Beverly Crawford, Town Clerk/Treasurer  
Town of Honea Path  
Honea Path, South Carolina

We have performed the procedures described below, which were agreed to by the Town of Honea Path and the Town of Honea Path Municipal Court, solely to assist you in evaluating the performance of the Town of Honea Path Municipal Court for the fiscal year ended May 31, 2012, in the areas addressed. The Town of Honea Path and the Town of Honea Path Municipal Court are responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Town of Honea Path and the Town of Honea Path Municipal Court. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

#### **1. Clerk of Court**

- We gained an understanding of the policies and procedures established by the Clerk of Court to ensure proper accounting for all fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained certain judgmentally selected final court dockets from the Municipal Clerk. We randomly selected twenty-five cases from the final court dockets and recalculated the fine, fee, assessment and surcharge calculation to ensure that the fine, fee, assessment or surcharge was properly allocated in accordance with applicable State law. We also determined whether the fine, fee, assessment and/or surcharge adhered to State law and to the South Carolina Court Administration fee memoranda.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable Donnie W. Cannon, Municipal Judge  
Ms. Beverly Crawford, Town Clerk/Treasurer  
Town of Honea Path  
April 26, 2013

Our findings as a result of these procedures are presented in Adherence to Fine Guidelines and Conviction Surcharge in the Accountant's Comments section of this report.

**2. Town Treasurer**

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for court fines, fees, assessments, surcharges, forfeitures, escheatments, or other monetary penalties.
- We obtained copies of all State Treasurer's Revenue Remittance Forms submitted by the Town for the fiscal year ended May 31, 2012. We agreed the line item amounts reported on the State Treasurer's Revenue Remittance Forms to the monthly court remittance reports and to the State Treasurer's receipts. We also agreed the total revenue due to the State Treasurer to the general ledger.
- We determined if the State Treasurer's Revenue Remittance Forms were submitted in a timely manner to the State Treasurer in accordance with State law.
- We verified that the amounts reported by the Town on its supplemental schedule of fines and assessments for the fiscal year ended May 31, 2012, agreed to the Town's general ledger. We also determined if the supplemental schedule of fines and assessments contained all required elements in accordance with State law.

Our findings as a result of these procedures are presented in Timely Submission of State Treasurer's Revenue Remittance Form and Supplementary Schedule in the Accountant's Comments section of this report.

**3. Victim Assistance**

- We gained an understanding of the policies and procedures established by the Town to ensure proper accounting for victim assistance funds.
- We made inquiries and performed substantive procedures to determine that any funds retained by the Town for victim assistance were accounted for in a separate account.
- We tested the sole victim assistance expenditure to ensure that the Town expended victim assistance funds in accordance with State law and South Carolina Court Administration Fee Memoranda, Attachment L.
- We determined if the Town reported victim assistance financial activity on the supplemental schedule of fines and assessments in accordance with State law.
- We inspected the Town's general ledger to determine if the Victim Assistance Fund balance was retained as of June 1 from the previous fiscal year in accordance with State law.

Our finding as a result of these procedures is presented in Accounting for Victim Assistance Funds in the Accountant's Comments section of this report.

The Honorable Nikki R. Haley, Governor  
and  
The Honorable Donnie W. Cannon, Municipal Judge  
Ms. Beverly Crawford, Town Clerk/Treasurer  
Town of Honea Path  
April 26, 2013

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended May 31, 2012, and, furthermore, we were not engaged to express an opinion on the effectiveness of internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairman of the House Ways and Means Committee, Chairman of the Senate Finance Committee, Chairman of the House Judiciary Committee, Chairman of the Senate Judiciary Committee, members of the Town of Honea Path Town Council, Town of Honea Path Municipal Judge, Town of Honea Path Clerk/Treasurer, State Treasurer, State Office of Victim Assistance, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", with a stylized flourish at the end.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

**ACCOUNTANT'S COMMENTS**

## **SECTION A – VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS**

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations governing court collections and remittances. The procedures agreed to by the entity require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

### **ADHERENCE TO FINE GUIDELINES**

We selected twenty-five cases from the final court dockets to ensure that the fine, fee, assessment and/or surcharge levied by the Municipal Court adhered to State law. Based on the tests performed, we noted one instance where an individual was fined \$30 for a seatbelt violation. The \$30 fine levied by the Court exceeded the maximum fine allowed by State law.

Section 56-5-6540(A) of the 1976 South Carolina Code of Laws, as amended, states, "A person who is adjudicated to be in violation of the provisions of this article must be fined not more than twenty-five dollars, no part of which may be suspended."

The Municipal Clerk stated the error was due to oversight.

We recommend the Municipal Court develop and implement procedures to ensure that fines levied by the court adhere to applicable State law.

### **TIMELY SUBMISSION OF STATE TREASURER'S REVENUE REMITTANCE FORM**

During our testing of the Town's State Treasurer's Revenue Remittance Forms (STRRF), we noted six out of twelve STRRF were not submitted to the State Treasurer by the fifteenth day of the month as required by State law. The STRRF were submitted from one to four days late.

The Town Clerk/Treasurer stated the late submissions were related to timing issues in processing accounts payable. The Town Clerk/Treasurer processes invoices once a week; therefore, if an invoice or other source documentation is not received prior to the weekly cutoff for processing accounts payables, the invoices will not be paid until the next week.

Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the Town to remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer.



We recommend the Town implement procedures to ensure the STRRF are submitted by the fifteenth day of each month in compliance with State law.

### **CONVICTION SURCHARGE**

During our test of Municipal Court collections and remittances, we noted six instances where the Court did not assess and collect the \$25 conviction surcharge as required by State law.

Section 14-1-211 (A)(1) of the 1976 South Carolina Code of Laws, as amended, states, "In addition to all other assessments and surcharges...a twenty-five dollar surcharge is imposed on all convictions obtained in magistrates and municipal courts in this State. No portion of the surcharge may be waived, reduced, or suspended." This section does not apply to misdemeanor traffic offenses or parking violations.

The Municipal Clerk stated she was unaware of this requirement.

We recommend the Town implement procedures to ensure the conviction surcharge is properly assessed and collected in accordance with State law.

### **ACCOUNTING FOR VICTIM ASSISTANCE FUNDS**

During our testing of the Town's State Treasurer's Revenue Remittance Forms (STRRF), we noted the Town recorded victim assistance revenue for the month of June 2011 to the "Police Fine" general ledger account instead of the "Victim Assistance" account. As a result, the Town did not deposit cash receipts totaling \$625 in the "Victim Assistance" bank account.

The Town Clerk/Treasurer stated the commingling of victim assistance revenue with general operating funds was an oversight.

Section 14-1-211(B) of the 1976 South Carolina Code of Laws, as amended, states, "The revenue collected pursuant to subsection (A)(1) must be retained by the jurisdiction which heard or processed the case and paid to the city or county treasurer, for the purpose of providing services for the victims of crime, including those required by law. Any funds retained by the county or city treasurer pursuant to subsection (A)(1) must be deposited into a separate account for the exclusive use for all activities related to the requirements contained in this provision."

We recommend the Town establish and implement policies and procedures to ensure victim assistance revenue is accounted for in accordance with State law.

### **SUPPLEMENTARY SCHEDULE**

During our testing of the schedule of court fines, assessments and surcharges included in the Town's financial statements for the year ended May 31, 2012, we noted amounts reported for victim services expenditures, funds available for carryforward, beginning, and funds available for carryforward, ending did not agree to the Town's general ledger.

Section 14-1-208(E)(1) of the 1976 South Carolina Code of Laws, as amended, states, "The supplementary schedule must include the following elements: (a) all fines collected by the clerk of court for the municipal court, (b) all assessments collected by the clerk of court for the municipal court, (c) the amount of fines retained by the municipal treasurer, (d) the amount of assessments retained by the municipal treasurer, (e) the amount of fines and assessments remitted to the State Treasurer pursuant to this section, and (f) the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward."

The Town Clerk/Treasurer stated the reporting errors were due to an oversight in the reconciliation between the general ledger and the final schedule.

We recommend the Town implement procedures to ensure amounts reported on the supplementary schedule are accurately reported in accordance with State law.

**TOWN'S RESPONSE**



204 South Main Street  
Honea Path, South Carolina 29654

Phone : 864-369-2466  
Fax : 864-369-2325

August 19, 2013

Mayor  
Earl L. Meyers

Council Member

Ward 1  
J.P. "Sonny" Davis

Ward 2  
Fredda Gilmer

Mr. Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

Ward 3  
Brad Haynes

Office of the State Auditor  
1401 Main Street, Suite 1200

Ward 4  
Jeff Taylor

Columbia, SC 29201

Ward 5  
Dorothy "Dot" Evans

Re: Town of Honea Path Municipal Court Report

Ward 6  
Ellis Lark

Dear Mr. Gilbert:

Clerk-Treas.  
Beverly Crawford

Economic Dev.  
Rusty W. Bums

Town Attorney  
Jimmy R. King

Administrator  
William S. Hall

Police Chief  
David King

Fire Chief  
James A. Smith

Public Utility Dir.  
Matt McCullough

Recreation Dir.  
Jason Rhodes

Please accept this letter as official indication that the Town of Honea Path has reviewed the preliminary draft copy of the report resulting from your performance of agreed-upon procedures to the accounting records of the Town of Honea Path for fiscal year ending May 31, 2012. The Town of Honea Path authorizes the release of the report, and does not have any additional responses or comments to offer at this time.

Should you have any questions, or need further information, please feel free to contact me at (864)369-2466.

Sincerely,

  
Beverly K. Crawford  
Clerk/Treasurer

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